

RESOLUTION NO. 22-16

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING THE MEMORANDUM OF UNDERSTANDING FOR THE
MOULTON NIGUEL WATER DISTRICT EMPLOYEE ASSOCIATION
SUPERVISORY UNIT EMPLOYEES**

WHEREAS, the representatives of the Board of Directors of the Moulton Niguel Water District ("District") have met and conferred with duly authorized representatives of the Supervisory Unit to make adjustments to terms and conditions of employment; and

WHEREAS, a Memorandum of Understanding prepared by said representatives has been presented to the Board of Directors for approval; and

WHEREAS, a majority of the Supervisory Unit members voted to approve the Memorandum of Understanding.

NOW, THEREFORE, the Board of Directors of the Moulton Niguel Water District **DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

Section 1. That this Board of Directors does hereby approve and authorize its Board President and General Manager to sign the Memorandum of Understanding between the Moulton Niguel Water District and the Supervisory Unit, attached hereto as Exhibit 1, which shall be effective on July 1, 2023 and remain in full force and effect until a successor Memorandum of Understanding is adopted after the parties have met and conferred.

Section 2. That this Board of Directors does hereby order that the Supervisory Unit Job Classification Salary Schedule be included as part of the Memorandum of Understanding, attached hereto as Exhibit 2.

ADOPTED, SIGNED and APPROVED this 8th day of December, 2022.

MOULTON NIGUEL WATER DISTRICT



President

MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof



Secretary

MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON
NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly
adopted by the Board of Directors of said District at a special meeting of said Board held
on the 8th day of December, 2022 that it was so adopted by the following vote:

AYES: CAVE, FIORE, FROELICH, MOORHEAD, PROBOLSKY,
RIFKIN, WANNINGER

NOES:

ABSTAIN:

ABSENT:



Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof



MEMORANDUM OF UNDERSTANDING
BETWEEN
MOULTON NIGUEL WATER DISTRICT
AND
MOULTON NIGUEL WATER DISTRICT
EMPLOYEE ASSOCIATION
(SUPERVISORY UNIT)
2023 – 2027

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
MOULTON NIGUEL WATER DISTRICT
AND
MOULTON NIGUEL WATER DISTRICT EMPLOYEE ASSOCIATION
(SUPERVISORY UNIT)
2023-2027**

Pursuant to the Moulton Niguel Water District Employer-Employee Relations Resolution and in accordance with negotiations between the representatives of Moulton Niguel Water District Employee Association, concerning salaries, wages, hours, and other terms and conditions of employment falling under the purview of the Meyers-Milias-Brown Act, agreement has been reached on salaries and related benefits for bargaining unit employees of Moulton Niguel Water District. Subjects of agreement, following below, reached between Moulton Niguel Water District, hereinafter sometimes referred to as the "District," and the Moulton Niguel Water District Employee Association, hereinafter sometimes referred to as the "Association," shall become effective July 1, 2023, unless otherwise noted, and remain in full force and effect until June 30, 2027. All references to "day" or "days" contained in this Memorandum of Understanding ("MOU") are to calendar days, unless expressly noted otherwise.

**ARTICLE I
RECOGNITION**

Section 1.01 General

In accordance with the terms of the Employer-Employee Relations Resolution, the District hereby acknowledges its recognition of Moulton Niguel Water District Employee Association (Supervisory Unit) as the only bargaining representative for all eligible employees presently, or hereafter, employed by the District in the bargaining unit set forth in Appendix "A", and specifically excluding confidential and management positions designated as Exempt employees.

Section 1.02 Association Dues/Service

When the District is notified by a Board member of the Supervisory Unit that an employee has elected to join the Association, the District shall begin the applicable deduction of Association dues or the service fee no later than the beginning of the first pay period commencing after receipt of the notice to the District Office.

No dues, fee, or contribution deduction shall be made during any pay period when an employee's earnings are insufficient, after all other deductions are made, to cover the full amount of the dues, fee or contribution. When an employee is in a non-pay status for an entire pay period, no deduction will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of a pay period, whose earnings, after deductions, are not sufficient to cover the full amount of the dues, fee or contribution, no deduction shall be made in the pay period or from future earnings to cover the pay period.

The Association shall advise the District, in writing, of the dues and service fee amounts to be deducted. Any change in the amounts will be submitted to the District, in writing, at least fourteen (14) days prior to the effective date of such change.

All deducted dues and service fees shall be remitted to the Association Treasurer no later than fourteen (14) calendar days after deduction. The District shall also provide an itemized statement detailing each employee's name, address, amount of deduction and category of deduction.

Section 1.03 Indemnification

The Association shall indemnify, defend and hold the District harmless against any liability arising from any claims, demands or other action relating to the District's compliance with the deduction of Association dues.

Section 1.04 New Employees

The District will notify the Association of all new hires within the bargaining unit within one (1) week after their having been employed, furnishing the Association with the new employee's name, mailing address, position for which he/she was hired and the department/section where the employee will be working. In addition, the District will provide the employee a copy of this Memorandum of Understanding.

ARTICLE II MANAGEMENT RIGHTS

Section 2.01 General

The rights of the District include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions, and boards' set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which governmental operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. Nothing in this section shall be construed to limit, amend, decrease, revoke, or otherwise modify the rights vested in the District by the California Water District Law, as amended, or other laws regulating, authorizing, or empowering the District to act or refrain from acting.

The District is conceded to have the right to make technological improvements, to assign work not expressly covered by job descriptions, to determine normal working hours, and to schedule shifts, accordingly.

ARTICLE III EMPLOYMENT STATUS

Section 3.01 Full-Time Employee

As used in this Memorandum of Understanding, the term “full-time employee” means an employee who is regularly scheduled to work forty (40) hours or more per seven (7) day work period.

Section 3.02 Regular Part-Time Employee

As used in this Memorandum of Understanding, the term “regular part-time employee” means an employee who is regularly scheduled to work less than forty (40) hours and more than thirty (30) during a seven (7) day work period.

Section 3.03 Temporary Employee

As used in this Memorandum of Understanding, the term “temporary employee” means an employee who is hired for a period of one (1) year or less. The District may extend the term of employment of a temporary employee beyond one (1) year for good cause. Temporary employees shall receive no benefits of any kind.

Section 3.04 Former Employee

Former employees who have left the District in “good standing” may be rehired within the discretion of the General Manager.

Section 3.05 Probationary Period

- A. All employees entering full-time District employment, with the exception of the General Manager, Assistant General Manager, and Division Heads, shall serve a probationary period of twelve months during which time the employee must demonstrate his/her ability to successfully fill the job requirements and establish effective working relationships with co-workers.
- B. Prior to the completion of the twelve-month probationary period an employee will be evaluated by his or her immediate Supervisor, Division Head, the General Manager or a designee thereof and, at the will and pleasure of the General Manager, may have his or her probationary period extended for an additional six months upon written notice to the employee that an additional period of appraisal is required.
- C. Passing the probationary period with a satisfactory rating is a requirement for continued employment with the District.

- D. A new employee shall be hired at Step 1 of the established Range for his/her job classification. Upon the approval of the General Manager, a new employee may be hired at a higher Step, not to exceed Step 11.
- E. A new employee who successfully passes his/her probationary period shall be eligible for a pro-rated lump sum non-base building merit incentive payment of 2.5% of base bi-weekly earnings based on the number of pay periods remaining between the conclusion of the probationary period and the end of the last pay period in a fiscal year. For example, a new employee making \$3,000 per pay period who completes his/her probationary period ending 3/24/23, shall receive a merit incentive payment of \$525 ($\$3,000 \times 2.5\% \times 7 \text{ pay periods} = \525). Any merit incentive payment awarded pursuant to this section shall not be considered as reportable compensation to CalPERS.
- F. All full-time employees serving their probationary period shall receive applicable benefits (as defined herein).
- G. Employees serving a probationary period are not entitled to due process in discipline or termination, and may be terminated at-will, without cause and without right to appeal.

Section 3.06 Annual Employee Appraisal

- A. The Supervisors, Division Heads, Assistant Division Heads, Assistant General Manager, and General Manager shall annually evaluate the performance of employees under their supervision. This appraisal will occur after the completion of the probationary period and then at least annually thereafter.
- B. An employee may complete a Self Evaluation Form prior to his or her employee appraisal.
- C. The Employee Performance Appraisal Form will be reviewed by the employee together with his or her Supervisor and signed by both.

Section 3.07 Workweek

As used in this Memorandum of Understanding, the term “workweek” is defined as beginning at 12:00 a.m. on Saturday and ending at midnight the following Friday. All full-time employees will be assigned a four or five-day, eight or ten-hours per day schedule as may be desirable from time to time, in regard to their respective job functions. The employee’s designated work schedule will be determined by his or her Division Head, subject to approval by the General Manager.

Section 3.08 Grievance Procedure

- A. Purpose of Grievance Procedures

1. Promotes improved employer/employee relations by establishing an appropriate means for determining the validity of grievances, i.e., claims by an employee that the District has violated, misinterpreted or misapplied an obligation to the employee as such obligation is expressed and written in this policy.
2. Provides a method of resolving such claims as closely as possible to the point of origin and as informally as possible.
3. Encourages free communication between Supervisors and employees.
4. Grievances regarding discipline or discharge must be handled under Section 3.09. All other grievances, except as noted under Section 3.09, must be handled as outlined in Item B below.

B. Grievance Procedure Steps:

1. Step One: Supervisor: Employees who have a grievance shall first take it up informally with their immediate Supervisor within five (5) working days after they knew or reasonably should have known of the occurrence of the cause of the grievance. The Supervisor shall record, in writing, the grievance and any action taken.
2. Step Two: Division Head: If the grievance is not resolved within five (5) working days after its submission in Step One, employee may submit the grievance in writing to his or her Division Head within five (5) working days thereafter. The Division Head shall meet with the employee within two (2) working days after submission of the grievance and shall deliver his or her answer, in writing, to the employee within five (5) working days after such meeting. At this and all subsequent steps in the grievance procedure, employee has the right to present their grievance with or without a representative at his or her option.
3. Step Three: General Manager: If the grievance is not resolved in the second step, the aggrieved employee may submit it in writing to the General Manager, within five (5) working days after the Division Head's answer is received. The General Manager shall meet with the employee within five (5) working days after receiving the grievance and shall deliver his/her answer to them in writing within five (5) working days after such meeting. The decision of the General Manager shall represent the final decision of the District with respect to the grievance.
4. A grievant's failure to follow the timelines for addressing his or her grievance at the next progressive Step, as set forth above, will constitute the grievant's consent that the matter was resolved at the previous Step.

A. Disciplinary Action

1. Employee Representatives Permitted. Regular employees are permitted an employee representative at any meeting in which they may be subject to disciplinary action by the District. Such regular employees may have an employee representative when there is probable cause to believe that disciplinary action may be taken as the result of the meeting; if a significant purpose of the meeting is to investigate facts in relation to a contemplated disciplinary action; or if there is a potential for disciplinary action.
2. Disciplinary Action Subject to Notice and Hearing Procedures. Upon compliance with procedures set forth in the section entitled, "Disciplinary Procedures for Regular Employees," Section 3.09.B, the following disciplinary actions may be taken against a regular employee either by the General Manager or such management personnel as he or she may designate:
 - (a) Termination: Discharge from District service.
 - (b) Demotion: Reduction from a position in one classification to a position in another classification effected for disciplinary purposes. An employee who is demoted shall be placed on a Step of the Range established for the classification to which the employee is demoted that is closest to his/her current pay rate, which does not result in a pay increase. In the event the employee's current pay rate exceeds the maximum of the new Range, the employee's pay rate shall be reduced to Step 11. (Demotions resulting from an employee's inability to perform required duties for medical reasons, organizational changes, or layoffs are not disciplinary in nature and are not subject to the appeal process.)
 - (c) Salary Reduction: A reduction in pay from the employee's current pay range to any lower amount within that same range, as such range is recorded in the District's current salary schedule.
 - (d) Suspension from Duty: An ordered interruption of duties for five (5) or more days without pay.
3. Disciplinary Actions Not Subject to Notice and Hearing Procedures. The following disciplinary actions may be taken against any employee by the General Manager, Assistant General Manager or Division Head, without compliance with the procedures referred to in Section 3.09.A.2:
 - (a) Counseling statements.

- (b) Written or oral warnings.
 - (c) Reprimand, which may be oral, or in writing, or both.
 - (d) Change in working hours.
 - (e) Reassignment not entailing a salary reduction or demotion.
 - (f) Suspension for four (4) days or less without pay. (The General Manager must be notified prior to implementing a suspension without pay).
4. Causes for Disciplinary Action. It is intended that discipline be imposed primarily for corrective purposes and to address deficiencies in work performance. The following is a non-exclusive list of the more common reasons for disciplinary action:
- (a) Actions contrary to the rules and policies of the District.
 - (b) Inefficiency, incompetence, inattention to or dereliction of duty, failure to perform assigned duties in a satisfactory manner.
 - (c) Insubordination or failure to comply with District rules and policies.
 - (d) Accepting gratuities or tips in violation of the District's Ethics Policy or applicable law.
 - (e) Dishonesty.
 - (f) Theft or unauthorized use of District property.
 - (g) Fighting while on duty or on District premises.
 - (h) Frequent or habitual tardiness, unexcused absences or unsatisfactory attendance.
 - (i) Conducting non-District business activities during working hours.
 - (j) Harassment and/or discrimination in any form.
 - (k) Consumption of alcoholic beverages while on duty or on District premises.
 - (l) Being under the influence of alcohol while on duty.

- (m) Use of, possession of, and/or transfer or sale of, non-prescribed drugs or narcotics while on duty or on District premises.
- (n) Disorderly, indecent or immoral conduct while on duty or while in District uniform.
- (o) Discourteous treatment of the public or other District employees.
- (p) Conviction of any felony or of a misdemeanor involving moral turpitude, dishonesty or immoral conduct.
- (q) Unauthorized absence from work.
- (r) Neglect of duty.
- (s) Failure to follow safe working practices.
- (t) Failure to report an injury promptly.
- (u) Failure to report significant unsafe working practices to Supervisor.
- (v) Misrepresentations in obtaining employment with or promotion within the District.
- (w) Misuse of District monies.
- (x) Falsification of forms, records, or reports; including, but not limited to, time sheets, employment applications and District documents.
- (y) Possessing or bringing firearms or weapons onto District property.
- (z) Destroying or willfully damaging District or employee property, records, or other materials.
- (aa) Unauthorized opening or tampering with locks in desks, doors, cabinets, etc., or unauthorized use or duplication of keys.
- (bb) Failure to immediately report the loss of a California driver's license due to suspension, withdrawal, forfeiture or confiscation by any court of law or by the California Department of Motor Vehicles by employees who must maintain such a license as a condition of employment.
- (cc) Failure to call in to the employee's Supervisor prior to the start of employee's work shift if employee will be absent or tardy without prior approval.

5. Recordation of Disciplinary Action in Employee's Personnel File. The disciplinary action taken, along with the reasons for such action, will be recorded in an employee's personnel file.

B. Disciplinary Procedures for Regular Employees

1. Purpose. This section sets forth the procedure to ensure that all regular employees are fairly treated when subjected to disciplinary actions described in Section 3.09.A.2, "Disciplinary Action Subject to Notice and Hearing Procedures". These procedures do not apply to the General Manager, Assistant General Manager, Division Heads or employees in their probationary period who may be discharged, suspended or otherwise disciplined without any reason or cause.
2. Notice of Proposed Action. Prior to taking disciplinary action subject to notice and hearing procedures, as outlined in Section 3.09.A.2, the Division Head shall deliver to the employee a written notice of its intention to dismiss or otherwise discipline the employee. Such notice shall be personally served on the employee, or if the employee is not available, it shall be sent by registered or certified mail to the employee's place of residence, as shown on the records of the District. The notice shall be served or mailed not less than seven (7) calendar days prior to the proposed disciplinary action and shall contain the following:
 - (a) The proposed disciplinary action and the date said action becomes effective.
 - (b) The specific charges upon which such action has been proposed and the reasons why such action is being taken. Such charges shall contain any information essential to give the employee a fair opportunity to answer the charges made. Such information shall include, but is not limited to, names, times, dates, places or numbers that may be pertinent to the charges made.
 - (c) If such charges are based upon documents or materials, the notice shall inform the employee of this fact, and shall inform the employee as to the location of such documents and materials. If available and subject to duplication, copies of such documents and materials shall be furnished to the employee with the notice.
 - (d) A time and date by which the employee may file a written response and for presentment of any oral response, which date shall not be less than seven (7) days after the notice is served on or mailed to the employee, whichever occurs first.

Pre-disciplinary procedures are not required for suspension of four (4) days or less. For suspensions of four (4) days or less, the notice procedures of Section 3.09.B.2. and the response and determination procedures for Section 3.09.B.3. through Section 3.09.B.5. may be provided to the employee during the suspension or within a reasonable time thereafter.

3. Response of Employee. The employee shall have the right to respond, either orally or in writing, or both, no later than the time and date provided in the notice to the employee. The time for response may be extended by the Division Head for a reasonable period if the Division Head determines it is necessary to provide the employee with a fair opportunity to answer the charges made. Written responses shall be delivered to the Division Head.

If the employee desires to make an oral response, the employee shall give written notice to the Division Head of this fact at least two (2) working days before the time and date stated in the notice for presentment of the oral response. Failure of the employee to give such notice shall constitute a waiver by the employee of any right to present an oral response. At this time, the employee should also advise the Division Head if the employee's legal or other representative will be present during the oral response.

4. Oral Response. If the employee gives the notice described, the oral response of the employee shall be presented to the Division Head. At the time of the employee's oral response, the employee shall have the right to be represented by counsel or other representative.
5. Determination by Division Head. Upon expiration of the period of time set forth in the District's notice to the employee, or if an oral response is presented, upon completion of the response, whichever is later, the Division Head shall review the matter, including any response of the employee and his/her representatives and any evidence presented, and shall make a determination whether to discharge or otherwise discipline the employee. The Division Head shall notify the employee in writing of the determination. Such notice shall be personally served on the employee or shall be sent by registered or certified mail to the employee's place of residence as shown in the records of the District.
6. Appeal of Decision of Division Head. An employee or former employee dissatisfied with the determination made by the Division Head may appeal the determination to the General Manager, provided that a written notice of appeal is filed with the Director of Human Resources or designee of the District no later than fifteen (15) calendar days after the date of personal service or mailing of the notice of the Division Head's determination, whichever is sooner.

If a timely appeal is filed with the Director of Human Resources or designee of the District, the General Manager shall schedule a hearing within thirty (30) calendar days of the date of filing of the notice of appeal, and the Director of Human Resources or designee of the District shall notify the employee or former employee of the time and date fixed for the hearing. At the hearing, the employee shall have the right to be represented by counsel or other representative, or both. The General Manager or such management personnel as he/she may designate, may extend the time to schedule the hearing upon a determination of good cause.

The employee shall have the right to present evidence and to examine adverse witnesses. The employee shall, at least five (5) working days before the scheduled hearing, file a written request with the Director of Human Resources or designee requesting the presence of such persons at the hearing. If such persons can be made available without unduly interfering with the operations of the District, the Director of Human Resources or designee shall cause such persons to be present at the time of the hearing. The General Manager or such management personnel as he/she may designate, may continue the hearing for a reasonable period until such persons can be present. The hearing shall be recorded.

7. Determination of Appeal. Upon conclusion of the hearing, the General Manager shall review the matter, including any evidence presented at the hearing, and shall make a final determination whether to confirm the determination of the Division Head.
8. Status of Employee. During the period prior to the determination of the matter by the Division Head as set forth in Section 3.09.B.5, the employee may be suspended from performance of his or her duties with pay or may be reassigned to other duties. If the final determination of the Division Head is to discharge an employee, the effective date of the discharge shall be the date that the notice of the Division Head's determination is personally served or mailed pursuant to Section 3.09.B.5, whichever occurs first.
9. Judicial Review. Judicial review of any decision of the District, or of any commission, committee, board, officer or agent thereof dismissing or otherwise disciplining an employee, which decision is subject to review under Code of Civil Procedures section 1094.5, may be had pursuant to this section only if a petition for writ of mandate is filed in Superior Court within the time limits specified in Code of Civil Procedure section 1094.6.

C. Layoff or Reduction in Force

A layoff or reduction in force is not a disciplinary measure. Notwithstanding any other provisions of these rules, nothing provided herein shall prohibit the District from discharging, suspending or transferring an employee upon a determination by

the District that the needs of the District do not require continuance of the employee's position.

ARTICLE IV WAGES

Section 4.01 Salary Schedule Adjustment

Effective at the beginning of the first pay period of July 2023, the District shall increase the wage rates by ten percent (10%), which shall include a compensation adjustment and a Cost of Living Adjustment (COLA). Effective at the beginning of the first pay period of July 2024, the District shall increase the wage rates by eight percent (8%), which shall include a compensation adjustment and a COLA. Effective at the beginning of the first pay period of July 2025, the District shall increase the wage rates by five percent (5%), which shall include a compensation adjustment and a COLA. Effective at the beginning of the first pay period of July 2026, the District shall increase the wage rates by five percent (5%), which shall include a compensation adjustment and a COLA.

Section 4.02 Employee Compensation

- A. All full-time employees shall receive compensation in accordance with the Job Classification Salary Schedules approved by the District's Board of Directors.
- B. Pay periods are on a biweekly basis, beginning at 12:00 a.m. on Saturday and ending at 11:59 p.m. on the second Friday of the pay period. Pay day is the Friday following the conclusion of a pay period. Employees are compensated via direct deposit to the bank account they authorize.

Section 4.03 Merit Increase within the Salary Range

- A. Merit Increase is defined as an increase in the base pay rate of an employee from his/her current Step to a higher Step in the salary Range established for his/her job classification. The amount of the merit increase is awarded based on the employee's overall performance rating as documented on the annual "Performance Appraisal" form.
- B. The advancement of an employee within a classification shall be dependent on the employee exhibiting increased knowledge, skills and abilities, coupled with meritorious performance. The employee's supervisor shall evaluate the employee's performance and if merited, recommend a merit increase. The General Manager shall have the authority to approve or deny merit increases. The amount of each merit increase will be determined by the overall performance rating as documented on the annual "Performance Appraisal" form.

- C. An employee who receives an overall performance rating of Meets Standards shall receive a 1 step merit increase, and an employee who receives an overall performance rating of Exceeds Standards shall receive a 2 step merit increase.
- D. The General Manager may authorize a 3 step merit increase in extenuating circumstances.
- E. The pay rate shall not exceed Step 11 of the Range established for the job classification, except for employees who are eligible for and are receiving the employer paid member contributions converted to pay rate benefit during the one year final compensation period.
- F. An employee at Step 10, who receives an overall rating of Exceeds Standards, shall advance to Step 11, and may receive a lump sum non-base building merit incentive payment of 2.5% of annual base earnings, which shall not be considered as reportable compensation to CalPERS.
- G. An employee at Step 11, who receives an overall rating of Exceeds Standards, may receive a lump sum non-base building merit incentive payment of 3% of annual base earnings, which shall not be considered as reportable compensation to CalPERS.
- H. All merit increases shall be awarded effective with the first day of the first pay period in each fiscal year.
- I. An employee who receives an overall rating of Below Standards shall not receive a merit increase.
- J. An employee who receives an overall rating of Below Standards may appeal the rating to his/her Division Head.
- K. Performance appraisals will be done at the same time for all employees on an annual basis.

Section 4.04 Overtime Pay

- A. All employees who are classified as “non-exempt employees,” as defined under applicable laws or regulations, will be eligible for overtime pay.
- B. Overtime is defined as hours worked by non-exempt employees in excess of ten (10) hours in a work day or forty (40) hours in a work week.
- C. In order to be eligible for overtime pay, an employee must have management approval before working overtime.

- D. All vacation and holiday hours (but not sick leave) shall be considered as hours worked toward the 40 hours in a week for qualifying for overtime.
- E. Overtime pay shall be paid at the rate of one and one-half times the employee's base rate of pay for hours worked in excess of ten (10) hours per day and two times the employee's base rate of pay for hours worked in excess of 12 hours per day.
- F. Paid compensatory time off (CTO) may be given to non-exempt employees at a rate of one-and-one-half (1½) hours for each hour of overtime, if the employee and the District agree to the time off from work in lieu of earned overtime pay. By law, the employee must request in writing a desire for compensatory time off in lieu of overtime monies. If the employee desires to take compensatory time, a written request for the time off must be submitted and approved by the Supervisor and/or Division Head in advance of the time requested. The total accrued CTO shall not exceed forty (40) hours and will be cashed out completely during the last pay period of each fiscal year.
- G. For the purpose of computing overtime pay, the formula shall be as follows: monthly salary multiplied by twelve (12) months; divided by 2080 hours; equals hourly rate; multiplied by 1.5 for overtime pay or 2.0 for double-time pay. The calculation of monthly salary shall include all rates and pay as required by Section 7(e) of the Fair Labor Standards Act.
- H. When a non-exempt employee is required to work for four (4) hours or more beyond his or her regular daily work schedule, or when a non-exempt employee is called out for work after completing his or her regular work schedule and his or her meal period occurs during such work, he or she will be given a reasonable meal allowance or furnished a meal and reasonable work time to eat it. Additional meal allowances or meals will be provided at four-hour intervals thereafter, during the continuous work period.

Section 4.05 Standby

- A. Standby duties are assigned to qualified employees on a rotating basis for a one-week period of time several times each year. In order to be eligible to perform standby duties, employees are required to complete training that will provide them with the knowledge and current information about District facilities.
- B. When personnel are designated standby duties after their normal working day, the compensation shall be seventy-five dollars (\$75) per day in addition to their regular pay and any other compensation earned such as overtime. Any call that physically requires personnel to respond to the District shall earn a minimum of two (2) hours of overtime compensation for that particular response provided that response does not take them into their normal working day. For any response that extends into their normal working day, staff shall be compensated with overtime up to the start

of the normal working day. Any calls that do not require personnel to physically respond shall earn thirty (30) minutes of overtime compensation.

- C. Standby duties require an employee to be available within the District upon thirty (30) minutes notification of the need to respond, on a twenty-four (24) hour basis. Water Distribution and Wastewater Treatment staff must be able to respond to alarms or other system notifications via the Supervisory Control and Data Acquisition (SCADA) system within fifteen (15) minutes.
- D. Standby personnel shall have the ability to respond during non-working hours during the work week, weekends, and on holidays. Additional standby duties may be required as designated by the Division Head or his or her designee. Standby personnel will be compensated for all overtime earned while on standby duty.
- E. The Division Head or his or her designee shall determine when standby responsibilities should be transferred among personnel. An employee requesting to transfer standby duties must get approval from his or her supervisor prior to the start of the standby shift.
- F. District personnel on standby are permitted to utilize the District's designated standby vehicles during non-working hours to allow for emergency response provided those vehicles remain within a thirty (30) minute response distance.

Section 4.06 Promotion

- A. Promotion is defined as the movement of an employee to a supervisory or management level classification. An employee who is promoted shall be placed on Step 1 of the Range established for the classification to which the employee is promoted, or shall receive a pay increase equivalent to the employee's current pay rate multiplied by 5% followed by placement on the closest Step in the new pay Range, whichever is greater. Under no circumstances shall the pay rate exceed Step 11 of the Range established for the job classification.
- B. It is the District's desire to promote from within whenever practicable. However, the District's policy is to fill all positions with the best qualified individual. When opportunities occur within the organization, promotions and transfers will be based upon an employee's qualifications and performance. In general, only employees who have been at their present job assignment for at least six (6) months will be considered.
- C. It is the District's desire to provide internal employment to qualified candidates through intra or interdepartmental promotion whenever practicable. The criteria used when considering employees' qualifications for promotion must be fair and unbiased, and all District employment policy requirements must be fully met and documented. Employees are to be considered for promotion regardless of age, sex,

race, color, religion, national origin, sexual orientation, gender identity, disability or membership to any other protected classification under applicable law.

Section 4.07 Reclassification

A reclassification is defined as the conversion of a position, through an increase in job duties and responsibilities coupled with a history of meritorious performance, to a different classification and/or pay Range within the same job family. A job family is defined as a grouping of positions which are sufficiently similar in duties, responsibilities and working conditions which share common standards of selection. An employee who is reclassified shall be placed on Step 1 of the Range established for the classification to which the employee is reclassified, or shall receive a pay increase equivalent to the employee's current pay rate multiplied by 2.5% followed by placement on the closest Step in the new pay Range, whichever is greater.

Section 4.08 Transfer

A transfer is defined as the movement of an employee from one job family to another job family in a comparable classification which does not qualify as a promotion or reclassification. A transfer may occur to meet the needs of the District or through an internal competitive process. An employee who is transferred shall be placed on a Step of the Range established for the classification to which the employee is transferred that is closest to his/her current pay rate, which does not result in a decrease in pay.

**ARTICLE V
BENEFITS**

Section 5.01 Annual Vacation

- A. Vacation leave will begin to accrue from the date of employment. All full-time employees working forty (40) hours per week shall earn the following amount of vacation hours with pay:
1. Non-management employees:
 - (a) First year through fifth year of continuous employment, 80 hours per year.
 - (b) Sixth year through tenth year of continuous employment, 120 hours per year.
 - (c) After ten years of continuous employment, 160 hours per year.
 2. Management employees:
 - (a) General Manager and Assistant General Manager

- i. First year of continuous employment, 80 hours per year.
- ii. Second year through fifth year of continuous employment, 120 hours per year.
- iii. After six years of continuous employment, 160 hours per year.

(b) Division Heads:

- i. First year through third year of continuous employment, 80 hours per year.
- ii. Fourth year through tenth year of continuous employment, 120 hours per year.
- iii. After ten years of continuous employment, 160 hours per year.

- B. No vacation time shall be taken without prior approval of the employee's Supervisor and Division Head.
- C. Vacation requests shall be submitted no less than two weeks prior to commencement of the requested vacation.
- D. Vacation duration is limited to no more than 120 continuous hours without special approval of an employee's Division Head and General Manager or Assistant General Manager.
- E. Any employee separating from the District who has not taken accrued vacation shall receive pay for each day of accrued vacation according to the base pay for such employee on the last regular pay period.
- F. Upon an employee's advance irrevocable election, the District will cash out future vacation accruals, up to a maximum of 160 hours, provided the employee has used at least 40 hours of vacation during the 12 months preceding May 31st of the Accrual Period to which the election pertains.

An employee must present his/her vacation cash out request to the Accounting Division each year prior to June 1st. An employee's election will apply to vacation that will accrue from June 1st through May 31st (the "Accrual Period") following the election. Elected vacation cash outs will be paid once per year in June following the Accrual Period. The value of each hour of cashed out vacation will be equal to the employee's hourly rate as of the payment date.

If an employee does not meet the requirements for a vacation cash out, no vacation cash out will occur. An employee may not elect to cash out vacation that accrued prior to the time of the election. An employee must make new vacation cash out elections prior to June 1st of each year.

- G. An employee cannot accrue more than 200% of his/her annual vacation accrual (for example, an employee accruing 120 hours per year can accrue up to 240 hours before the employee ceases to accrue vacation until the employee uses vacation to reduce it below the ceiling). Every effort shall be made by the employee to schedule at least one continuous forty (40) hour (one week) vacation during the year.

Section 5.02 Holidays

- A. The District observes the following holidays:

- New Year's Day (January 1)
- Martin Luther King Day (third Monday in January)
- Presidents Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Veterans Day (November 11)
- Thanksgiving Day
- Thanksgiving Holiday (Friday after Thanksgiving Day)
- ½ Day Christmas Eve (December 24)
- Christmas Day (December 25)
- ½ Day New Year's Eve (December 31)
- Thirty (30) Hours to use as Floating Holidays

Employees will be granted leave with pay for all holidays observed by the District. For the purposes of holiday compensation, a day shall equal the number of hours that the employee would have normally worked if not for the holiday.

Employees accrue thirty hours to use as floating holidays on the first day of the first pay period of each fiscal year. The employee must be employed on the first day of the first pay period of the fiscal year in order to accrue the floating holidays.

Each floating holiday will be selected by the employee and approved by the employee's Supervisor at least two (2) weeks in advance of taking the day off. An employee may not carry a balance of more than forty (40) hours of floating holiday during any one pay period and should make every effort to use floating holiday prior to using vacation leave.

- B. For those employees assigned to an eight-hour, five-day work schedule, when the holiday falls on a Saturday or Sunday, either the preceding Friday or the following

Monday shall be observed as the holiday. The General Manager or Assistant General Manager shall determine which day will be used.

- C. For those employees assigned to a ten-hour, four-day work schedule, when the holiday falls on the employee's regularly scheduled day off, a floating holiday will be given for the observed holiday.
- D. All employees who are required to work on a holiday shall be paid at the rate of one and one-half times the employee's base rate of pay.

Section 5.03 Sick Leave

- A. Sick leave will begin to accrue from the date of employment. Paid sick leave for full-time employees working forty (40) hours per week is accrued on the basis of eight (8) hours per calendar month completed. A part-time, temporary or intern employee who works less than thirty (30) hours per week shall be entitled to paid sick leave after he/she has worked for thirty (30) or more days within a year from when employment commences. Such employee shall accrue paid sick leave at the rate of one (1) hour for every thirty (30) hours worked up to twenty-four (24) hours per 12-month employment year. A part-time, temporary or intern employee shall be permitted to use paid sick leave beginning on the 90th day of employment. A part-time, temporary or intern employee shall be permitted to carry over paid sick leave to the following year of employment, up to a maximum of forty-eight (48) hours of sick leave.
- B. One-half of an employee's annual accrued sick leave may be used as "protected sick leave" for the following reasons:
 - 1. The diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee.
 - 2. The diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee's family member.
 - 3. An employee who is a victim of domestic violence, sexual assault, or stalking.
- C. Upon request from the Division Head, Assistant General Manager or General Manager, a doctor's certificate may be required if an employee is absent from work for more than 48 hours in a calendar year.
- D. On January first of each year, an employee may carry over a maximum of one hundred seventy-six (176) accumulated sick leave hours. An employee who has accumulated hours greater than one hundred seventy-six (176) will receive compensation for seventy-five percent (75%) of those hours over one hundred seventy-six (176).

- E. Upon retirement or termination of employment that is not deemed “for cause,” the employee will be paid for any accrued sick leave according to the following schedule: (a) fifty percent (50%) of accrued sick leave after ten full years of continuous service; (b) seventy-five percent (75%) of accrued sick leave after 15 full years of continuous service; or (c) one hundred percent (100%) of accrued sick leave after 20 or more full years of continuous service.
- F. When an employee has utilized his or her total accumulated sick leave, accrued vacation may be taken to the extent available. If an employee does not elect to utilize or does not have sufficient accrued vacation time to cover the entire absence, the employee shall not receive compensation. The District may deny the use of vacation for sick leave purposes in cases of suspected sick leave abuse.

Section 5.04 Family and Medical Leave

A. General

In accordance with state and federal laws, the District shall provide up to twelve (12) workweeks a year of unpaid family leave to any “eligible” employee who requests leave for any of the following reasons:

1. The birth or adoption of a child by the employee or placement of a child in foster care with the employee (all family leave taken for one of these purposes must be concluded within one year of the event);
2. To care for his or her child, parent, spouse, domestic partner or the child of a domestic partner who has a serious health condition; or
3. For an employee’s own serious health condition which makes the employee unable to perform any of the essential functions of the employee’s position.

It is the District’s responsibility to determine, based on information provided by the employee, whether leave qualifies as family leave.

B. Serious Health Condition

“Serious health condition” means an illness, injury, impairment, or physical or mental condition which warrants the participation of a family member to provide care and involves either (a) inpatient care in a hospital, hospice, or residential health care facility; or (b) continuing treatment or continuing supervision by a qualified health care provider.

C. Eligibility

An employee is eligible for family leave if, at the time leave commences, all of the following are satisfied:

1. The employee has worked for the District for at least twelve (12) months (not necessarily consecutive months),
2. The employee has worked at least 1,250 hours during the twelve (12) months immediately preceding the leave period,
3. Employees who are “exempt” under the Fair Labor Standards Act are presumed to have worked for the required number of hours provided they have been employed by the District for at least twelve (12) months; and,
4. If a husband and wife or domestic partners are both employed by the District, family leave taken may be limited to a combined total of twelve (12) weeks leave for the birth, adoption or placement of a child, or to care for the employee’s parent(s).

D. Notification Requirement – Employee

The employee must notify the employee’s immediate Supervisor, preferably in writing, of the requested leave at least thirty (30) calendar days before the leave is to begin if the leave is foreseeable. If the leave is not foreseeable, the employee must give as much notice as practicable (usually within two (2) business days).

An employee must consult with his or her Supervisor regarding any planned medical treatment and make a reasonable effort to schedule leave not to unduly interfere with the District’s operations, subject to the employee’s health care provider’s approval. Failure to comply with these notice requirements may result in deferral of the requested leave until compliance. When an employee requests leave because of his or her own, child’s, spouse’s, domestic partner’s, child of a domestic partner’s or parent’s serious health condition, an employer may require an employee to provide medical certification from the health care provider, supporting need for leave.

The certification shall contain the following:

1. The date on which the condition began;
2. The probable duration of the condition;
3. If for the employee’s own health condition, a statement that due to the serious health condition the employee is unable to work or to perform at least one of the essential functions of his or her position; and,
4. If for care of a family member, a statement that the health condition warrants participation of a family member to provide care.

E. Pay and Benefits Continuation

1. Family leave is unpaid, however, employees may use their available sick and vacation leave.
2. Employees may continue group health, life, or other insurance while on family leave. Before the leave begins, the Director of Human Resources or designee shall provide the employee with the amount and due dates of any copay premiums that become due during the employee's leave.
3. Family leave is not a break in service for seniority purposes; however, the period of the leave does not count as accrued service for retirement plan purposes and the District will not make retirement plan contributions during the period of unpaid leave.
4. Employees returning from family leave generally have a right to reinstatement to the same or equivalent position held immediately before leave; however, employees returning from leave have no greater right to reinstatement than if they had been on-the-job continuously during the same period.

Should you have any questions about your rights and responsibilities in connection with family leave, contact the District's Director of Human Resources or designee.

Section 5.05 Servicemember Family and Medical Leave

The federal Family and Medical Leave Act (FMLA) entitles eligible employees to take leave for a covered family member's service in the Armed Forces. This policy supplements the District's FMLA policy and provides general notice of employee rights to this leave. Except as stated below, such rights and obligations for Servicemember FMLA are governed by our existing FMLA policy. Servicemember FMLA runs concurrent with other leave entitlements provided under federal, state and local law.

A. Employee entitlement to Servicemember FMLA

Servicemember FMLA provides eligible employees unpaid leave for any one, or combination, of the following reasons:

1. A "qualifying exigency" arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan; and/or,
2. To care for a covered family member who has incurred an injury or illness while in the Armed Forces provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating and is certified by the servicemember's health care provider.

B. Duration of Servicemember FMLA

1. When leave is because of a “Qualified Exigency” concerning the military duty of a family member, an eligible employee may take up to 12 workweeks of leave during any 12-month period.
2. When leave is to care for an injured or ill servicemember, an eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the servicemember. Leave to care for an injured or ill servicemember, when combined with other FMLA-qualifying leave, may not exceed 26 workweeks in a single 12-month period.
3. Where spouses are both employed by the District, they may take up to, in aggregate, 26 workweeks of Servicemember FMLA, provided that any portion of the aggregate leave that is not for care of a family servicemember does not exceed 12 workweeks.

C. Notice of Intent to take Servicemember FMLA

1. In any case where it is foreseeable that an employee will need servicemember FMLA, that employee must provide notice of his or her intent to take leave as soon as reasonably possible and provide certification of either the “qualified exigency” or family servicemember’s medical condition as soon as practicable.

Section 5.06 Military Leave

- A. Employees may take military leave to serve in the uniformed military services in accordance with the federal laws, including the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as well as the California Military and Veterans Code, sections 389, *et seq.* “Military services” means service in the Armed Forces, the National Guard, the Public Health Service or any other category designated by the U.S. President during time of war or national emergency.
- B. For any pay differential provided by the District to the employee during military leave, it will be the employee’s responsibility to make estimated quarterly tax payments as appropriate. These payments will be reported on Form 1099-MISC for tax purposes. The employee has all rights regarding benefits and re-employment as described by California and federal law.
- C. The District prohibits the discharge or denial of initial employment, reemployment, promotion or any benefit of employment to any person because of the person's membership, application for membership, performance of service, application for performance of service or obligation to perform service in a uniformed service. Any employee who performs service in the uniformed services will be granted an unpaid

leave of absence (except where paid leave is permitted as noted below by District policy) and reinstatement privileges as prescribed by applicable law, namely USERRA.

- D. Employees who have received orders should contact Director of Human Resources or designee for information about their rights before and after such leave.
- E. In most cases, employees are entitled to reinstatement upon completion of military service provided they return or apply for reinstatement within the time periods allowed for by law. If they are re-employed under this policy, they are entitled to all the rights and benefits that they would have attained, just as if they were not on a leave of absence as outlined in this policy.
 - 1. The employee shall give advance notice of military activation as far in advance as is reasonable under the circumstances, unless the Secretary of Defense determines that giving notice is precluded by military necessity, or if the giving of such notice is otherwise impossible or unreasonable.
 - 2. A copy of the employee's military activation orders shall be given to the employee's Supervisor and a copy forwarded to Human Resources.

F. Compensation

Military Leave shall be governed in conformity with USERRA and the applicable California law. Any employee who has worked for the District not less than one year immediately prior to the day on which the leave begins shall be entitled to receive his or her salary or compensation for any one military leave of absence or during any one fiscal year for up to 30 calendar days of any such absence, in accordance with California Military and Veterans Code section 395.02. Temporary Military Leave, not exceeding 180 calendar days, shall be governed by California Military and Veterans Code section 395.01. These provisions shall include and apply to military duty ordered for the purposes of active duty training. The District does not provide paid military leaves of absence to an employee for periods of inactive duty training.

1. Annual Encampments or Military Training (10 business days or less)

Employees who are members of an active reserve unit of a U.S. military service or a state National Guard will be given the necessary time off to fulfill the federal or state minimum annual training requirements. Included in military leave is reasonable time to and from military service and time for physical examinations. The employee may use vacation hours for this type of duty. The vacation hours paid cannot exceed the number of hours the employee would have worked had they not taken a military leave.

2. Extended Leaves (more than 10 business days)

Extended military leave shall be governed in conformity with USERRA and the applicable California law.

Section 5.07 Disability Leave

Employees who are not eligible for protected leave, may request a leave of absence without pay for medical reasons. Such leave of absence may be granted for no longer than four (4) months, in any consecutive twelve (12) month period, unless otherwise required by applicable law.

Section 5.08 Pregnancy Disability Leave

Under the California Fair Employment and Housing Act (FEHA), if an employee is disabled by pregnancy, childbirth, or related medical conditions, the employee is eligible to take a pregnancy disability leave (PDL) of up to four (4) months. If an employee is affected by pregnancy or related medical condition, the employee is also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if this transfer is medically advisable.

A PDL does not need to be taken in one continuous period, but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth are all covered by a PDL. During a PDL, the District will continue to maintain coverage in its group health plan for any eligible female employee. The District may recover from the employee the premium that the District paid if the employee fails to return from the leave after the period of leave to which the employee is entitled has expired and the employee's failure to return from leave is for a reason other than taking CFRA leave or a continuation, recurrence or onset of a health condition that entitles the employee to pregnancy disability leave or other circumstance beyond the control of the employee.

Section 5.09 Voluntary Leave of Absence

Upon approval from the General Manager or Assistant General Manager in response to a written request, an employee may be granted an unpaid leave of absence. The District shall comply with all applicable state and federal regulations for unpaid leave. Employee benefits will not accrue or be paid during a voluntary leave of absence with the exception of insurance coverage, which will remain in effect for the first thirty (30) calendar days of leave. Upon approval of the General Manager or Assistant General Manager, employees may take a voluntary leave of absence under this section after exhausting protected leave. In no event may the total leave of absence of an employee exceed six (6) months, unless otherwise mandated by law.

Section 5.10 Bereavement Leave

Whenever any full-time employee is compelled to be absent from duty for reason of death of a member of his or her family (i.e., spouse, domestic partner, child, child of domestic partner, step child, brother, step brother, sister, step sister, mother, step mother, father, step father, grandparent, grandchild or parent-in-law), the employee shall be entitled to a maximum of five days (forty (40) hours) leave with pay. This absence with pay shall not affect any employee

benefits. Part-time employees who work less than forty (40) hours per week are not eligible for bereavement leave. The days of bereavement leave need not be consecutive.

Section 5.11 Jury Duty

- A. When required to serve on a jury, all full-time employees shall be allowed time off up to a maximum of fifteen (15) working days for the actual period of service required on such jury. Upon return to work, employee will present his or her Supervisor or Division Head with a proof of service for the actual days served and have it duly authorized by the court bailiff. A copy of the proof of service will be attached to the employee's timesheet.
- B. Such employee shall be paid his/her regular salary while serving on jury duty up to a maximum of fifteen (15) working days. Any jury duty beyond fifteen (15) days will have to be served under the voluntary leave of absence criteria set forth in Section 4.09. of this policy. Part-time employees who work less than forty (40) hours per week are not eligible for paid jury duty.

Section 5.12 Victims of Crime

- A. All employees who are victims of a "violent felony" (as defined by section 667.5 of the California Penal Code), a "serious felony" (as defined by section 1192.7 of the California Penal Code) or a crime of theft or embezzlement, shall be allowed time off to attend judicial proceedings related to that crime. The employee may use his or her accrued paid vacation time, sick leave time, compensatory time off that is otherwise available to the employee, unpaid leave time or a leave of absence as set forth in this Policy.
- B. All employees who have an "immediate family member," a domestic partner, or child of a domestic partner who has been the victim of a violent felony, a serious felony or a crime of theft or embezzlement shall be allowed time off to attend judicial proceedings related to that crime. The employee may use his or her accrued paid vacation time, sick leave time, compensatory time off that is otherwise available to the employee, unpaid leave time or a leave of absence as set forth in this Policy.
- C. Before the employee may be absent from work pursuant to this provision, the employee shall provide written documentation in advance to the District from the court or government agency setting the judicial proceedings, the district attorney or prosecuting attorney's office or the victim or witness office that is advocating on behalf of the victim, unless advance notice is not feasible. If advance notice is not feasible, the employee shall provide written documentation of the judicial proceedings to the District within a reasonable time.

Section 5.13

Educational Reimbursement

- A. In order to encourage employees to improve their job-related skills and opportunity for advancement through continuing education, the District has established a plan of tuition assistance for employee education.
- B. The District will refund tuition fees and educational material costs spent by employees who have received prior approval from the General Manager. Reimbursement for tuition and registration costs will be based on the actual cost of tuition and fees, and will be limited to the cost of tuition and fees of the California State University, Fullerton fee schedule. If an employee chooses to attend an accredited institution whose tuition is higher than the state university system, the employee will not be reimbursed for the difference between the two.
- C. Funds received from outside sources, such as scholarship grants or veterans' educational benefits, must be applied toward the cost of the course before the District's reimbursement is applied.
- D. Courses must be related to the employee's work or be required for a degree related to their work and must be taken at an accredited institution. Expenses eligible for reimbursement include tuition, parking, registration fees, laboratory/materials fees and books.
- E. Employees are required to submit a "Request for Approval of Work-Related Education" to their Division Head before starting courses for which the tuition refund is requested. The request will outline the curriculum and projected costs that will be involved and must be approved by the employee's Division Head and the General Manager or Assistant General Manager.
- F. An employee is eligible for reimbursement if the employee is on the District payroll at the time he or she starts, takes, and successfully completes the course with a "C" or better grade or a "pass" for courses graded on a pass/fail basis.
- G. Evidence of successful completion of the course and receipts for the allowable expenses must be submitted to the Director of Human Resources or designee, prior to reimbursement. Upon verification that all courses and expenses were previously approved, the Director of Human Resources or designee will submit a check request for the reimbursement of expenses/fees to the employee.
- H. If an employee voluntarily terminates employment with the District within 12 months of completing a course in which educational reimbursement has been paid, the employee shall repay those funds to the District.

Section 5.14 Uniforms and Safety Equipment

The District shall provide all appropriate field personnel with uniforms to be worn while on duty and the necessary District-owned safety equipment. In accordance with the California Public Employees' Retirement System (CalPERS), uniforms are considered special compensation for classic CalPERS members; therefore, \$13.13, the monetary value for the rental of the uniforms provided, is reported each pay period for those employees who are provided a uniform and are classified as classic CalPERS members.

Section 5.15 Insurance

The District provides major health, dental, vision, life, and disability insurance to eligible employees and dependents. A Section 125 Plan is available which will cover both the employee monthly insurance deduction as well as a Flexible Spending Account (FSA) for medical and/or dependent care expenses through payroll deductions. Employees will receive information during the employee orientation from the Human Resources Department.

An employee may elect, in writing, not to participate in the District's health, dental, and vision insurance plans, provided the employee submits written proof of comparable coverage elsewhere. Employees (excluding the Board of Directors) electing not to participate in the District's health, dental and vision insurance plans pursuant to this section shall be entitled to a monthly payment equal to six hundred dollars (\$600).

Eligible dependents are defined as set forth in the insurance enrollment materials.

For an eligible dependent to be eligible for coverages, a copy of a marriage license, State of California Declaration of Domestic Partnership form (NP/SF DP-1), birth certificate, or other identifying paperwork will be required.

- A. Group insurance plan booklets will be provided to all full-time employees.
- B. It is the employee's responsibility to notify the Director of Human Resources or designee upon marriage, divorce, implementation or termination of Domestic Partnership, birth or adoption of child, over-age dependent, or any event that changes the status of dependency.
- C. Health Insurance: Full-time and part-time employees working 30 hours or more per week and their dependents are covered by a group health insurance plan. Eligibility for participation begins the first of the month following thirty (30) days of regular employment with the District.
- D. Dental Insurance: Full-time and part-time employees working 30 hours or more per week and their dependents are covered by a group dental insurance plan. Eligibility for participation begins the first of the month following thirty (30) days of regular employment with the District.

- E. Vision Insurance: Full-time and part-time employees working 30 hours or more per week and their dependents are covered by a group vision insurance plan. Eligibility for participation begins the first of the month following thirty (30) days of regular employment with the District.
- F. Life Insurance: Full-time and part-time employees working 30 hours or more per week and their eligible dependents are covered by a group life insurance plan. The life insurance benefit for employees is equal to two (2) times their annual salary. Eligibility begins the first of the month following thirty (30) days of regular employment with the District.
- G. Disability Insurance: Full-time and part-time employees working 30 hours or more per week are covered by short and long-term disability plan. Eligibility begins the first of the month following thirty (30) days of regular employment with the District.
- H. Flexible Spending Account (FSA): A FSA allows an employee to set aside a portion of his or her earnings to pay for qualified medical and/or dependent care expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes.
- I. Workers' Compensation Insurance: All employees are covered by workers' compensation insurance for injuries or disability resulting from employment. Workers' compensation insurance provides medical, surgical, and hospital treatment in addition to payment for loss of earnings that result from work-related injuries. Compensation payment begins from the first day of hospitalization or after the third day following the injury, if the employee is not hospitalized. Accumulated sick leave and or accrued vacation time may be used for the three-day waiting period, and to bring the employee's compensation up to, but not greater than, the employee's regular gross pay.

It is the employee's responsibility to report immediately to his or her Supervisor or Division Head any injury, regardless of severity, and to complete an injury report.
- J. Unemployment Insurance: All employees are provided unemployment insurance by the District. To apply for benefits or to determine eligibility, employees should contact their nearest Employment Development Department (EDD) office.
- K. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) Insurance: Any employee/eligible family member who loses regular group eligibility because of a qualifying event is eligible for enrollment under COBRA.

Section 5.16 Dental, Vision, Life & Disability Insurance

The District agrees to pay 100% of the premium cost for the employee and the employee's eligible dependents enrolled in the District's, dental, vision, life, short and long term disability plans.

Section 5.17 Health Insurance

- A. The District and employees agree to continue to share future cost increases for HMO and PPO plans on a 50/50 basis as first established in 2013. Beginning in the first pay period of fiscal year 2023, and at the beginning of each fiscal year thereafter for the remainder of the MOU, the employees and the District will share future total plan cost increases for the HMO and PPO plans on a 50/50 basis. The following 2022 renewal rates shall serve as the baseline for 50/50 cost sharing:

	2022	District 2022	Employee 2022
<u>HMO:</u>	<u>Premium</u>	<u>Contribution</u>	<u>Contribution</u>
1-Party=	\$711.32	\$605.84	\$105.48
2-Party=	\$1493.80	\$1272.29	\$221.51
Family=	\$2134.05	\$1817.60	\$316.45
 <u>PPO:</u>			
1-Party=	\$1270.41	\$902.25	\$368.16
2-Party=	\$2667.82	\$1894.70	\$773.12
Family=	\$3810.82	\$2706.46	\$1104.36

For example, an employee enrolled in the PPO plan, will make a contribution similar to his/her 2022 contribution + share future cost increases on a 50/50 basis. The District shall pay the remainder of the premium. A similar calculation will be performed for any increases in future years, or as the level of coverage changes (i.e., from employee only to family).

Section 5.18 Physical Examination

Employees entering District employment may be required to take, at the District's expense, a physical examination prior to appointment.

Section 5.19 Medical Retirement Benefits

- A. Upon retirement from District employment, full-time employees, who retire in good standing and who are not terminated for cause, will receive medical retirement benefits as follows:
1. Employees hired prior to July 1, 2008 who are at least 55 years old with a minimum of ten (10) years of continuous District employment, will be eligible to continue to receive health insurance benefits, which are equal to the value of the health benefit provided to active employees, until the retiree is eligible for Medicare.
 2. Employees hired after July 1, 2008 who are at least 60 years old with a minimum of fifteen (15) years of continuous District employment, will be

eligible to continue to receive health insurance benefits, which are equal to the value of the health benefit provided to active employees, until the retiree is eligible for Medicare.

3. Employees hired on or after July 1, 2017 will not be eligible for retiree health benefits. At retirement, the employee may apply for continued medical coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). The District will not bear the cost of such coverage.
4. When an eligible retiree, as defined in 5.19.A.1 and 5.19.A.2 of this section, attains Medicare age, the District will provide a reimbursement of up to \$235 per month for the costs associated with a supplemental Medicare policy. This benefit applies to the eligible retiree only, and is not provided to the retiree's dependent(s). If the retiree's dependent is not eligible for Medicare at the time the employee reaches Medicare age, the dependent may apply for continued medical coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). The District will not bear the cost of such coverage.
5. Upon retirement, retirees may continue dental and vision coverage pursuant to the provisions of COBRA. The District will not bear the cost of such coverage.
6. Pursuant to Government Code Section 53201, a member of the Board of Directors first elected to a term of office that began on or after January 1, 1995, is not eligible for District paid retiree medical benefits.

Section 5.20 California Public Employees' Retirement System (CalPERS)

The District participates in the California Public Employees' Retirement System.

- A. Employees hired prior to July 28, 2009 will pay 7% of compensation earnable toward the "Employer's share" of CalPERS contributions as cost sharing pursuant to Government Code § 20516(f). Employees in this retirement tier agree that the cost sharing provision in this section shall continue in the event this MOU expires and there is no successor MOU. The District will pay the entire portion of the normal member contribution (7%) as Employer Paid Member Contributions (EPMC).
- B. Employees hired after July 28, 2009 will pay 100% of the "Employee's share" of CalPERS contributions, currently 7%. Under no circumstances would the employee be asked to contribute an amount in excess of that set forth in applicable law (currently 7%). Employees hired after July 28, 2009 shall not pay any cost sharing.
- C. Employees hired after January 1, 2013, who qualify as new members under the Public Employees' Pension Reform Act (PEPRA), are required to pay at least 50%

of the normal cost, which is 8% beginning Fiscal Year 2023/24. PEPRAs member contribution rates are evaluated by CalPERS each year and adjusted pursuant to Government Code Section 7522.30(b). New members under PEPRAs shall not pay any cost sharing.

- D. The District's contract with CalPERS includes the following items: Level I 1959 Survivor Benefit, Military Service Credit as Prior Service, Annual Cost-of-Living Allowance Increase up to 3%, Credit for Unused Sick Leave, and Pre-Retirement Optional Settlement 2 Death Benefit.
- E. Employees hired prior to July 28, 2009 are enrolled in the CalPERS 2% @ 55 benefit formula with one year final compensation, and Employer Paid Member Contribution Converted to Payrate During the One Year Final Compensation Period. During the one year final compensation period, these employees will pay the 7% employee contribution and shall not pay any cost sharing of the employer's share of CalPERS contributions. (Employees hired after July 28, 2009, are not eligible for the Employer Paid Member Contribution (EPMC) Converted to Payrate During the One Year Final Compensation Period benefit).
- F. Employees hired after July 28, 2009 are enrolled in the CalPERS 2% @ 55 benefit formula with one year final compensation.
- G. Employees hired after January 1, 2013, who qualify as new members under PEPRAs, are enrolled in the CalPERS 2% @ 62 benefit formula with three year final compensation.
- H. A leave of absence up to fifteen (15) days will not result in loss of time credited to an employee for their service years utilized to compute retirement benefits.
- I. CalPERS benefits booklets will be provided to all employees.

Section 5.21 Social Security Medicare Coverage

Employees hired after March 31, 1986, are covered under the Medicare portion of the Social Security Retirement System. The District and the employee each contribute the 1.45% mandatory contribution.

Section 5.22 Deferred Compensation Plan

- A. The 457 deferred compensation plan is a tax deferred retirement plan that allows employees to defer compensation on a pre-tax basis through a payroll deduction. This pre-tax advantage allows employees to defer federal and state income taxes until assets are withdrawn.

- B. All full-time employees are offered one (1) deferred compensation plan from which to choose a wide variety of investment options for added retirement funding. Employees may enroll at any time throughout the year.

Deferred compensation plans are regulated by the Internal Revenue Code Section 457 and participation in these plans offers many advantages:

1. Increasing your retirement savings while reducing your current tax liability.
2. Earnings accumulate tax deferred
3. Savings may be moved to another public agency's qualified plan

You may participate in the plan, but you cannot exceed your maximum annual contribution. This amount is determined annually by the Internal Revenue Service. For additional information, please see the plan document.

- C. Employees may also be eligible to participate in the District's 401(a) Plan & Trust. The District will match a portion of the employee's deferred compensation 457 contribution and those funds will be contributed directly to a 401(a) Plan & Trust.
- D. To enroll or make changes in the deferred compensation plan(s), please contact the Human Resources Department to schedule an appointment.

Section 5.23 Wellness Benefit

- A. An employee who has completed his/her probationary period and Board members are eligible for the wellness benefit.
- B. The wellness benefit is meant to assist employees and Board members in enhancing their lifestyle by providing financial encouragement for fitness and/or wellness related activities.
- C. An eligible employee or Board member may receive a wellness allowance of five hundred dollars (\$500) per calendar year, which shall be paid to active employees during the first pay period in January each year starting in 2024.

ARTICLE VI FACILITIES, RELEASE TIME & EQUIPMENT

Section 6.01 General

Access to District work locations and the use of District paid time, facilities, equipment and other resources by employee organizations and those representing them shall be authorized only to the extent provided for in this Memorandum of Understanding and/or administrative procedures, shall be limited to lawful activities consistent with the provisions of the District's Employer-Employee Relations Resolution that pertain directly to the employer-employee

relationship and not such internal employee organization business as soliciting membership, campaigning for office, and organization meetings and elections, and shall not interfere with the efficiency, safety and security of District operations.

Section 6.02 District Facilities

Request for use of District facilities shall be submitted in writing to the General Manager or designee at least seven (7) days prior to the proposed date. The request shall certify compliance with the above-referenced paragraph. The Association shall be responsible for returning the District facility to its original condition. Use of District facilities shall be limited to the lunch hour of the Employees and the hours of 4:00 p.m. to 8:00 p.m.

Section 6.03 Release Time

- A. Paid release time for all bargaining unit employees of one (1) hour shall be granted for purposes of an MOU ratification meeting.
- B. Association Board Members will be given one (1) hour per quarter of paid release time to attend Association Board meetings.
- C. The District shall provide release time for Association stewards for the investigation, preparation, and presentation of employee grievances. Release time shall be defined as a reasonable amount of time to be stipulated at the discretion of the General Manager or designee, but not to be limited to a point where no release time is granted. The Association will annually designate the Stewards in writing to the General Manager.

Section 6.04 District Equipment

- A. The Association shall be granted use of a District bulletin board and payroll deduction of dues and fees consistent with the District's Employer-Employee Relations Resolution.
- B. Association Board members shall be allowed minimal use of phone, FAX, copying and e-mail during non-working time for the conduct of Association business consistent with the limitations set forth in District's Employer-Employee Relations Resolution. Any copying beyond minimal amounts shall be paid for by the Association.

**ARTICLE VII
MAINTENANCE OF BENEFITS**

Section 7.01 General

It is agreed that all wages, benefits, and conditions of employment set forth in this Memorandum of Understanding shall remain unaffected and in full force for the life of said Memorandum, unless mutually changed, in writing, by the parties after meeting and conferring.

ARTICLE VIII NO STRIKES

Section 8.01 No Strikes

Apart from and in addition to existing legal restrictions upon and remedies for work stoppages, the Association hereby agrees that during the term of the current MOU, neither it nor its members or agents, representatives or persons, acting in concert with any of them, shall incite, engage or participate in any strike, walkout, slowdown, sickout, or other work stoppage or interference of any nature against the District whatsoever, or wheresoever located, including but not limited to disputes which are related to the subject matter contained in the MOU; disputes which are specifically not subjects of the MOU (this does not in any way prohibit filing of claims with courts, PERB or other labor enforcement agencies); disputes between the District and other employee organizations, persons, or employees; or jurisdictional disputes. In the event of any strike, walkout, slowdown, or other work stoppage or threat thereof against the District during the term of the current MOU, the Association and its officers will take all steps reasonably within their control to end or avert the same.

Those represented by the Association will not authorize, engage in, encourage, sanction, recognize, or assist in any strike, slowdown, walkout, sickout, or other work stoppage against the District or picket in furtherance thereof, or participate in unlawful concerted interference in violation of this provision, or refuse to perform duly assigned services in violation of this provision. It is understood that any person represented by the Association found in violation of this provision may be subject to discipline, including termination as determined by the District Employee Relations Officer, according to Personnel and Salary Policy.

ARTICLE IX FULL UNDERSTANDING, MODIFICATION & WAIVER

Section 9.01 Policy Revisions

The parties agree to the Personnel & Salary Policy revisions and clarifications relative to non-substantive language/housekeeping updates.

Section 9.02 Full Understanding, Modification and Waiver

Except for the agreements the parties reached in regards to revising the District's Personnel & Salary Policy, it is intended that this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby suspended or terminated in their entirety.

Except as specifically provided herein, it is agreed and understood that the Association hereto voluntarily and unqualifiedly waives its rights, and agrees that the District will not be required to negotiate with respect to any subject or matter covered herein during the term of this

Agreement. Except in cases of emergency as provided by Government Code Section 3504.5, the District shall provide reasonable written notice to the Association of any ordinance, resolution, rule or regulation directly related to matters within the scope of representation proposed to be adopted by the District Board of Directors and shall give the Association the opportunity to meet with the District representatives.

Any agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless contained in writing signed by both parties and approved and implemented by the District Board of Directors.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all of its terms and provisions.

ARTICLE X SAVINGS CLAUSE

Section 10.01 General

Should any provision of this Memorandum of Understanding, or any application thereof, be unlawful by virtue of any federal, state, or local law or regulation, or the Employer-Employee Relations Resolution, such provision shall be effective and implemented only to the extent permitted by said law, regulation, or Resolution. In all other respects, the provisions of this Memorandum of Understanding shall continue in full force and effect for the life thereof.

If any provision of this Memorandum of Understanding is held by a final decision of a court of competent jurisdiction to be unlawful or invalid, such provision shall be immediately subject to renegotiation between the parties, and until agreement has been reached thereon, the parties shall comply with such decision.

ARTICLE XI DURATION

Section 11.01 General

In the event either party hereto desires to negotiate the provisions of a successor Memorandum of Understanding, such party shall serve upon the other, during the period from March 1, 2027 to April 30, 2027, its written request to commence negotiations and its full and complete written proposal for such successor Memorandum of Understanding. Upon receipt of such written notice and proposals, negotiations shall begin thereafter no later than May 15, 2027. If neither party provides such notice and proposals within this period, the Memorandum of Understanding shall be extended for an additional term.

MOULTON NIGUEL WATER DISTRICT


Joone Lopez, General Manager

Date


Brian Probolsky, Board President


Date

MOULTON NIGUEL WATER DISTRICT
EMPLOYEE ASSOCIATION



Larry Ballew, President


Dan Horn, Vice President


Rick Herr, Board Member


Kelly Rodriguez, Board Member


Ty Coston, Board Member


Aaron Peardon, Sr. Labor Relations Rep.

Date

APPENDIX "A"

JOB CLASSIFICATIONS IN THE
MOULTON NIGUEL WATER DISTRICT
EMPLOYEES ASSOCIATION
(SUPERVISORY UNIT)
CLASSIFICATION TITLES

Accounting Supervisor
Collection System Supervisor
Cross Connection Supervisor
Customer Account Supervisor
Customer Service Field Supervisor
Electrical/Instrumentation Supervisor
Inspection Supervisor
Station Maintenance Supervisor
Street Crew Supervisor
Support Services Supervisor
Wastewater Treatment Plant Supervisor
Water Distribution Supervisor
Water Efficiency Supervisor